

FUND 403
SEWER BOND PARITY DEBT SERVICE
(Formerly Sewer Bond Debt Service 1986 Series)

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2001 Advertised Budget Plan, as approved by the Board of Supervisors on April 24, 2000:

- The Board of Supervisors made no changes to the FY 2001 Advertised Budget Plan.

The following funding adjustments reflect all approved changes to the FY 2000 Revised Budget Plan from January 1, 2000 through April 17, 2000. Included are all adjustments made as part of the FY 2000 Third Quarter Review:

- An increase of \$93,836 in the Transfer In from Fund 400, Sewer Revenue, was required by the Sewer System's General Bond Resolution to reflect the proper ending balance reserve of \$1,282,139 for the amortization of bond issuance costs.

County Executive Proposed FY 2001 Advertised Budget Plan



Agency Overview

As part of the Public Works Management Council restructuring, Fund 403, Sewer Bond Debt Service 1986 Series, is renamed Sewer Bond Parity Debt Service to more accurately reflect the functions of this fund.

This fund records debt service obligations incurred from bonds issued in accordance with the 1986 Sewer Bond Resolution and parity debt from prior contractual obligations with the Alexandria Sanitation Authority (ASA) to support required sewer plant expansion. It should be noted that the ASA debt was retired in FY 1999, leaving only the Fairfax County Sewer Bonds in this fund.

In addition, the Board of Supervisors approved the sale of \$104 million in sewer revenue bonds in early FY 1997. The bond proceeds will be used to fund a portion of planned capital improvements at the Noman M. Cole, Jr. Pollution Control Plant (NCPCP). These improvements include the expansion of the plant's sewage processing capability from 54 million gallons per day (MGD) to 67 MGD, as well as the implementation of a nitrification process for the removal of ammonia nitrogen as required by the State Water Control Board. This removal of nitrogen will improve the quality of the effluent produced at the NCPCP.

An amount of \$13,486,134 is required for this fund in FY 2001. Of this amount, \$6,235,141 will fund the debt service on the unfunded portion of the 1993 Refunding Bonds. The 1996 Bonds debt service totals \$7,220,993. An amount of \$30,000 is also required for fiscal agent fees.

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Funding Adjustments

The following funding adjustments reflect all approved changes to the FY 2000 Revised Budget Plan since passage of the FY 2000 Adopted Budget Plan. Included are all adjustments made as part of the FY 1999 Carryover Review and all other approved changes through December 31, 1999:

- At the FY 1999 Carryover Review, a decrease of \$1,357,174 in expenditures results from the retirement of the Alexandria Sanitation Authority (ASA) parity debt service payments in FY 1999. In addition, a decrease of \$1,675,988 in the Transfer In is due to lower bond interest fees and the retirement of the ASA payment in FY 1999.

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FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 403, Sewer Bond Parity Debt Service
(Formerly Sewer Bond Debt Service 1986 Series)

	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Beginning Balance	\$60,663	\$93,836	\$412,650	\$1,188,303	\$1,282,139
Transfer In:					
Sewer Revenue (400) ¹	\$15,288,592	\$15,780,624	\$14,198,472	\$13,579,970	\$13,579,970
Total Transfer In	\$15,288,592	\$15,780,624	\$14,198,472	\$13,579,970	\$13,579,970
Total Available	\$15,349,255	\$15,874,460	\$14,611,122	\$14,768,273	\$14,862,109
Expenditures:					
Principal Payment ²	\$2,310,000	\$3,610,000	\$3,610,000	\$4,050,000	\$4,050,000
Interest Payments	9,766,496	9,609,886	9,609,886	9,406,134	9,406,134
Fiscal Agent Fees	65,484	30,000	30,000	30,000	30,000
Parity Debt Service	2,715,528	1,357,174	0	0	0
Total Expenditures	\$14,857,508	\$14,607,060	\$13,249,886	\$13,486,134	\$13,486,134
Non Appropriated:					
Amortization Expense ³	\$79,097	\$79,097	\$79,097	\$79,097	\$79,097
Total Disbursements	\$14,936,605	\$14,686,157	\$13,328,983	\$13,565,231	\$13,565,231
Ending Balance⁴	\$412,650	\$1,188,303	\$1,282,139	\$1,203,042	\$1,296,878

¹ An increase of \$93,836 in the Transfer In from Fund 400, Sewer Revenue, was required to provide the proper FY 2000 ending balance reserve of \$1,282,139 for the amortization of bond issuance costs, including \$734,749 for the 1993 series bonds and \$547,390 for the 1996 series bonds.

² The bond principal and interest payments are shown as expenditures. However, for accounting purposes, the Consolidated Annual Financial Report (CAFR) will show these disbursements as "Construction in Progress" to be capitalized.

³ In order to capitalize these bond costs, \$79,097 has been designated as non appropriated amortization expense annually for 23 years. The 1993 bonds are amortized at \$45,922 for 23 years, and the 1996 bonds are amortized at \$33,175 for 20 years.

⁴ In FY 2001, the ending balance of \$1,296,878 is more than sufficient to support the reserves required to cover the remaining amortization of issuance costs including \$688,827 for 1993 bonds and \$514,215 for 1996 bonds.